

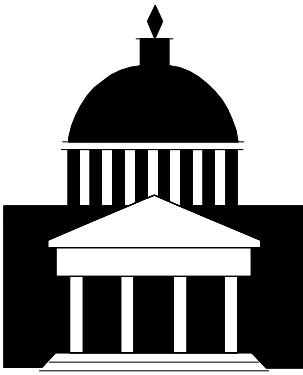
NJCFS Newsletter

OFFICE OF MANAGEMENT AND BUDGET
ACCOUNTING BUREAU

SUMMER 2004

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AN IMPORTANT MESSAGE ON COMMODITY CODES FROM THE PURCHASE BUREAU



This September, the State of New Jersey will be adopting a widely accepted commodity code system developed and maintained by the National Institute of Governmental Purchasing (NIGP).

The NIGP Code provides a standard, commodity-driven classification system geared toward governmental procurement. Over 1400 government entities, including 30 states, rely on the NIGP code.

The adoption of this code will enhance New Jersey's ability to communicate and benchmark with other states. The Purchase Bureau will be better equipped to organize and track purchasing activity. Vendors will no longer have to deal with a unique and outdated New Jersey code. Furthermore, it will facilitate implementation of electronic purchasing.

Each user agency will be contacted by representatives from the Purchase Bureau so that all questions can be answered. Every effort will be made to ensure a smooth transition.

Complete information about the conversion will be posted on the Purchase Bureau website at www.state.nj.us/treasury/purchase and on the MACS-E bulletin board throughout the summer.

SYSTEM AVAILABILITY

NJCFS/MACS-E is available from 7 a.m. to 7 p.m. Monday thru Friday. To facilitate the keying of year-end transactions by the agencies, NJCFS/MACS-E will also be available from 7 a.m. to 5 p.m. on the following Saturdays in July:

July 10
July 17
July 24

Please note that on July 30, 2004, NJCFS/MACS-E will only be available from 7 a.m. to 5:00 p.m.

YEAR-END CUT-OFF DATES

Circular Letter 04-14-OMB, "Year-End Guidelines Fiscal Year 2004," was issued on April 5, 2004. This Circular Letter contains cut-off dates, instructions and information to user agencies concerning the NJCFS year-end closing.

Cut-off dates for transactions that may require the approval of OMB or the Office of Legislative Services (OLS) include:

TRANS CODE CUT-OFF DATE

TA (OLS Approval)	July 2, 2004
AP	July 9, 2004
RB	July 9, 2004
TA	July 9, 2004

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A REMINDER: ACCOUNTING PERIOD MUST BE ENTERED IN JULY

The accounting period must be entered on all transactions during the month of July. Since two accounting periods will be open in July, accounting period "12 04" must be entered on transactions applicable to fiscal year 2004 and earlier, while "01 05" must be entered on transactions applicable to fiscal year 2005. This procedure is important so that revenues and expenditures are recorded in the appropriate fiscal year for reporting purposes.

After accounting period "12 04" is closed on July 30th, transactions that are to be recorded in accounting fiscal year 2004 must reference the adjustment period of "13 04". All transactions with accounting period "13 04" will result in an error message, which must be overridden by OMB.

If you have questions concerning the use of the accounting period field, contact Patricia Fatatis at 984-5207.

DEFICIT BALANCES

As stated in the Department of the Treasury's Circular Letter 04-14-OMB, "Year-End Guidelines Fiscal Year 2004", any fiscal officer, business manager, or director of administration could be held liable under Chapter 131, P.L. 1989 if salary accounts (or any other accounts) are allowed to go into deficit without immediate corrective action. Therefore, it is the responsibility of each fiscal officer to make certain that no fiscal year 2004 appropriation account closes the fiscal year with a negative unobligated balance.

Agency fiscal officers should not rely on last-minute processing of transfers and other accounting documents to relieve deficits. Preparation and submission of deficit relieving documents should have started **immediately** upon receipt of the circular letter. All deficits on Appropriations Tables (APPR) must be resolved by July 30, 2004. OMB does not require the elimination of deficits on Expense Budget Tables (EXPB).

FEDERAL FUNDS REMINDERS AND GUIDELINES

Reporting:

Agencies are reminded that it is the conduit agency's responsibility to ensure the Grant Module within the State Accounting System (NJCFS) is properly reflecting federal expenditures based on Financial Status Reports (SF-269) or equivalent reports submitted to the federal government. Subgrantee agencies should take necessary action to comply with the reporting time frames contained in their agreements with the conduit agencies so that the conduit can meet the reporting time frames of the federal grant requirements.

As part of its monitoring efforts, OMB will periodically request agencies to provide a copy of their federal status reports to confirm the accuracy of NJCFS.

Reconciliation and Compliance:

Agencies are required to reconcile their federal reports to NJCFS expenditures to ensure compliance with Federal Circular A-133's Compliance Supplement. The reconciliations and compliance reviews should be performed by agencies within 60 days after the end of the quarter. Adjustments identified in the reconciliations should be processed within NJCFS to ensure data integrity. Exceptions to the quarterly reconciliation requirement must be approved by OMB.

OMB will request confirmation from agencies that they have performed the reconciliations and compliance reviews. A State agency may be requested to submit a copy of its quarterly reconciliation to OMB for verification. OMB will be requesting that agencies provide the names of those individuals responsible for reconciliations and compliance reviews.

These requirements will be discussed in more detail in an OMB Circular Letter to be released early in Fiscal Year 2005.

TRAVEL ADVANCE POLICY

Employee travel advances are only to be issued on an exception basis and never to an employee who has been issued a State Travel Charge Card. When it is determined that an advance is justified, the advance should be calculated and processed as follows:

The calculation of a travel advance is based on the total of the amounts entered on the Travel Authorization transaction (TE/TH) for hotel, meals and miscellaneous expenses. When the total of these expenses is less than \$250, no advance is permitted. For amounts between \$250 and \$500, an advance of 75% of the total may be issued. For amounts totaling over \$500, a 90% advance may be issued. Once the calculation has been made, a Travel Voucher (TV) Type "A" must be processed referencing the TE or TH. This will result in the issuance of an advance check to the employee.

Employees are required to fully account for their travel expenses within 30 days after the travel event, and relieve any outstanding advance issued to them. Until a full settlement is made that satisfies their outstanding advance balances, employees remain responsible for their repayment. Fiscal offices are responsible to ensure that travel settlement documents (TV, type "S") are submitted and processed in a timely and accurate manner. These documents must reference the original TE/TH transaction to relieve the outstanding advance balances.

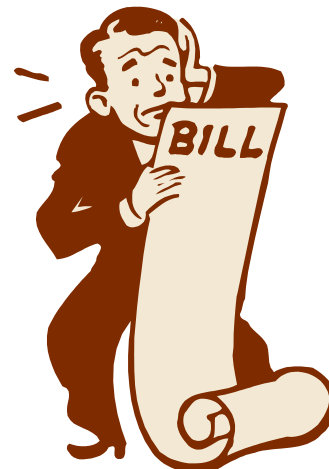
Accounting Operations is monitoring outstanding advances and will contact agencies bi-weekly to follow up on outstanding travel advances. Failure to account and settle the advances may restrict future advances as determined by the Director of OMB. If you have any questions or problems with closing advances call Gina Francione at 984-9308 or Patricia Fatatis at 984-5207.

DUPLICATE VENDOR PAYMENTS

The Office of Management and Budget (OMB) monitors agency vendor payments to identify any that might be duplicate payments issued in error. A potential duplicate payment is identified as a payment having the same vendor identification number, dollar amount and payee reference information as another payment. A report listing possible duplicates, along with an instructional memorandum, was recently released to Fiscal Offices. Please follow the instructions carefully. The report will be updated and issued periodically.

The erroneous duplication of payments to vendors is a matter of concern to Treasury management since it may be indicative of inadequate procedures and internal controls. It is intended that the report will be an effective tool to safeguard against such occurrences.

Agencies making recurring payments to the same vendor in the same amount should make certain that the Payee Reference field is unique for each payment. This will prevent a valid payment from being identified as a possible duplicate on the OMB report. It is recommended that specific information such as the vendor's invoice number or the period (month/year) the payment is to be applied against be entered as a payee reference. This information is also helpful to the vendor in applying the payment since it appears on the check stub or ACH confirmation.





Barbara Glasser recently joined the staff of the Accounting Bureau, working for Lynn Armano in the Accounting Operations Unit. Barbara comes from the Department of Military & Veterans' Affairs, where she also worked in the accounting unit. In her new position, she will be working with agencies in reviewing and approving Transfers of Appropriation, Appropriation Modifications and Revenue Budget transactions, as well as working on various other assignments within OMB. She can be reached at 292-8606. Welcome Barbara!

The Accounting Bureau is pleased to have an accounting student working on staff this summer in the Accounting Operations Unit. Jessica Andrews has just completed her junior year at Rutgers University in New Brunswick. While eligible to graduate after her senior year in May 2005, Jessica plans to stay in school for an additional year to fulfill the new requirements for CPA candidates. At OMB, Jessica will work on a number of projects in the Budgetary Control, Grants Analysis and Audit Compliance Units. We're pleased to have Jessica work with us, and we hope she comes back for a full-time position after graduation!

QUESTION AND ANSWER



Q. Revenue has been incorrectly recorded in the current fiscal year when a portion relates to a prior year. How can this be corrected?

A. Because "Fiscal Year" appears in the header of the Cash Receipt (CR) document, it is necessary to process two CR's to correct the allocation of these receipts between two fiscal years. These documents must be created in a single batch. One CR will be used to **Decrease** the amount incorrectly posted to the current fiscal year; this document will have the current fiscal year in the header of the document. The second CR will show an **Increase** to the revenue account in the prior fiscal year and will have the prior fiscal year in the document header. Proper processing of the batch will facilitate the reconciliations by OMB's Cash Accounting Section.

These transactions should not be processed as correcting CR's (Type 3) because of the need for separate fiscal year codes. The "Type of Receipt" field should therefore be left blank.

NJCFs ACCOUNTING PERIODS FY 2005

PERIOD	JUL-04	AUG-04	SEP-04	OCT-04	NOV-04	DEC-04	JAN-05	FEB-05	MAR-05	APR-05	MAY-05	JUN-05	JUL-05
PERIOD 01-05	7/1/04 - 8/6/04	8/1/04 - 9/8/04	9/1/04 - 10/7/04	10/1/04 - 11/8/04	11/1/04 - 12/7/04	12/1/04 - 1/7/05	1/1/05 - 2/7/05	2/1/05 - 3/7/05	3/1/05 - 4/7/05	4/1/05 - 5/6/05	5/1/05 - 6/7/05	6/1/05 - 7/31/05	
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